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BEFORE THE ARIZONA CORPORATION COMMISSION

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IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS ANTHEM
WATER DISTRICT AND ITS SUN CITY
WATER DISTRICT.

Docket No. W-01303A-09-0343

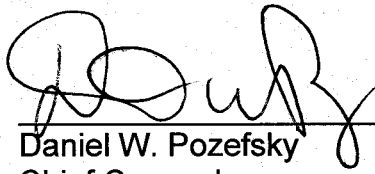
IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
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FOR UTILITY SERVICE BY ITS
ANTHEM/AGUA FRIA WASTEWATER
DISTRICT, ITS SUN CITY WASTEWATER
DISTRICT AND ITS SUN CITY WEST
WASTEWATER DISTRICT.

Docket No. SW-01303A-09-0343

NOTICE OF FILING

The Residential Utility Consumer Office ("RUCO") hereby provides notice of filing the
Surrebuttal Testimony of William A. Rigsby, CRRA, in the above-referenced matter.

1 RESPECTFULLY SUBMITTED THIS 11th day of October, 2011

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8 of the foregoing filed this 11th day
9 of October, 2011 with:

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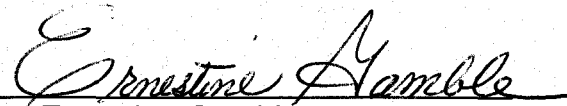
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ARIZONA-AMERICAN WATER COMPANY

**DOCKET NO. W-01303A-09-0343
AND DOCKET NO. SW-01303A-09-0343
(DECONSOLIDATION)**

SURREBUTTAL TESTIMONY

OF

WILLIAM A. RIGSBY, CRRA

ON BEHALF OF

THE

RESIDENTIAL UTILITY CONSUMER OFFICE

OCTOBER 11, 2011

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EXECUTIVE SUMMARY

RUCO agrees with Arizona-American Water Company, Inc.'s preference for the term "revenue transition" to describe the Anthem Community Council's plan to mitigate the rate impact of Arizona-American Water Company, Inc.'s proposed deconsolidation of the Anthem/Agua Fria Wastewater District.

RUCO is in agreement with the Company's position on winter-average rate design.

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My Name is William A. Rigsby. I am a Public Utilities Analyst V employed by the Residential Utility Consumer Office ("RUCO") located at 1110 W. Washington, Suite 220, Phoenix, Arizona 85007.

Q. Have you filed any prior testimony on AAWC's Deconsolidation Proposal in this proceeding on behalf of RUCO?

A. Yes. I filed testimony on AAWC's Deconsolidation Proposal with the Commission on August 16, 2011.

Q. Please state the purpose of your surrebuttal testimony.

A. The purpose of my surrebuttal testimony is to present RUCO's response to AAWC's rebuttal testimony filed with the ACC on September 13, 2011.

SUMMARY OF AAWC'S REBUTTAL TESTIMONY

Q. Have you had an opportunity to analyze AAWC's rebuttal testimony?

A. Yes. I have reviewed the rebuttal testimony of Company witness Sandra L. Murrey.

...

1 **Q. Please summarize Ms. Murrey's rebuttal testimony that relates to**
2 **RUCO.**

3 A. Ms. Murrey's rebuttal testimony addresses the Anthem Mitigation Plan,
4 developed by Anthem consultant Dan Neidlinger, which RUCO supports.
5 Ms. Murrey also addresses RUCO's agreement with AAWC's position on
6 the winter-average rate design issue.

7
8 **RATE IMPACT MITIGATION PROPOSAL**

9 **Q. Does RUCO agree with AAWC's preferred term of "revenue**
10 **transition," as opposed to "phase-in' for the Anthem Mitigation Plan**
11 **proposed by Anthem witness Dan Neidlinger which RUCO supports**
12 **in this proceeding?**

13 A. Yes.

14
15 **Q. Is the Company in agreement with Anthem and RUCO that Anthem's**
16 **revenue transition recommendation will help to mitigate the rate**
17 **shock that Aqua Fria ratepayers will experience as a result of**
18 **AAWC's proposed deconsolidation?**

19 A. Yes. Ms. Murrey stated in her rebuttal testimony that Anthem's revenue
20 transition recommendation, which RUCO supports, will be helpful.
21
22
23

WINTER-AVERAGE RATE DESIGN

Q. Is RUCO in agreement with AAWC's position on winter-average rate design?

A. Yes. RUCO is in agreement with the Company's position on winter-average rate design.

Q. Does your silence on any of the positions taken by the Company constitute your acceptance of those positions?

A. No, it does not.

Q. Does this conclude your surrebuttal testimony on the AAWC's Deconsolidation Proposal?

A. Yes, it does.